(c) if so, the rates of sales tax in different States, State-wise;

(d) whether the Central Government have taken the issue of levying lower sales tax by State Governments on petroleum products;

(e) if so, the details thereof; and

(0 if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) As per Entry 54 of List II (State List) of the Seventh Schedule to the Constitution of India, tax on sale or purchase of goods within a State is a State subject. Hence, due to different rates of sales tax levied by different State Governments on petroleum products, it is possible that the prices of petroleum products in different States are different.

(c) As tax on sale or purchase of goods within a State is a State subject, Central Government does not collect and maintain rates of sales tax on petroleum products in different States.

(d) and (e) Minister of Petroleum and Natural Gas has requested the State Chief Ministers and the Chairman of the Empowered Committee of the State Finance Ministers to reduce/maintain sales tax rates on petroleum products, especially petrol and diesel, at their earlier agreed uniform floor level with a view to containing the impact of high international prices on the domestic consumer prices of these products.

(f) Does not arise in view of reply to part (d) and (e) above.

Fake currency notes

463. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite the Reserve Bank of India (RBI) making it mandatory for banks to instal ultra-violet lamps to detect fake notes, counterfeit notes increasingly continue to be circulated in the market;

(b) whether it is also a fact that according to the official statistics, as much as 76 per cent of the total cash value in the country is at risk, because 76 per cent of the 480 crores of notes currently under circulation are of Rs. 500 and Rs. 1,000 denominations; and

(c) if so, the action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) RBI's instructions for installation of UV lamps in banks are for detection of counterfeit notes in the banking system and cannot be directly linked to the circulation of fake currency in the country. The fake currency notes detected by RBI offices and bank branches during the years 2003-2004 is lower than 2002-03.

(b) No, Sir.

(c) Does not arise.

Foreign Exchange Reserves

464. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) the amount of India's total foreign exchange reserves as on 1st April 2004;

(b) whether there has been a steady increase in the inflow of foreign exchange remittances during the last three years and if so, the details thereof;

(c) whether it is proposed to deploy the huge forex reserves to the development of infrastructure like ports, roads, telecommunications, railways etc.; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) India's total foreign exchange reserves stood at US$ 113.0 billion as on March 31,2004.

(b) Private transfer receipts, predominantly comprising inward remittances from Indians working abroad, have increased from US$15.4 billion in 2001-02 to US$22.8 billion in 2003-04. Private transfer receipts have shown annual growth rates of 19.8 per cent, 6.4 per cent, and 39.3 percent, respectively, during 2001-02,2002-03 and 2003-04.

(c) and (d) India's total foreign exchange reserves are now more than US$125 billion. Any decision to utilize a part of foreign exchange reserves for funding domestic projects requires careful assessment *inter alia,* of the impact of such a measures on the fiscal situation, money supply, exchange rate, domestic interest rates and inflation.